



## **Texas Department of Insurance**

### **Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48  
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645  
512-804-4000 telephone • 512-804-4811 fax • [www.tdi.texas.gov](http://www.tdi.texas.gov)

## **MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**

### **GENERAL INFORMATION**

#### **Requestor Name and Address**

ROC – HOUSTON PA  
4126 SOUTHWEST FREEWAY SUITE 330  
HOUSTON TEXAS 77027

DWC Claim #:  
Injured Employee:  
Date of Injury:  
Employer Name:  
Insurance Carrier #:

#### **Respondent Name**

TEXAS MUTUAL INSURANCE CO

#### **Carrier's Austin Representative Box**

Box Number 54

#### **MFDR Tracking Number**

M4-11-3634-01

#### **MFDR Date Received**

June 20, 2011

### **REQUESTOR'S POSITION SUMMARY**

**Requestor's Position Summary:** "Not paid Per [sic] the TX DWC fee schedule."

**Amount in Dispute:** \$877.87

### **RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** "The requestor is dissatisfied with the reimbursement he received for code 14020, date 4/12/11. As the EOB shows and as the information from The Coventry Group's letter in the DWC-60 packet reflects, the requestor was reimbursed according to the terms of his First Health contract."

**Response Submitted by:** Texas Mutual Insurance Company

### **SUMMARY OF FINDINGS**

Date of Service	Disputed Services	Amount In Dispute	Amount Due
April 12, 2011	14020	\$877.87	\$58.57

### **FINDINGS AND DECISION**

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

#### **Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.203 sets out the fee guidelines for professional medical services provided on or after March 1, 2008.
3. 28 Texas Administrative Code §133.4, sets out the Written Notification to Health Care Providers of Contractual Agreements for Informal and Voluntary Networks.
4. 28 Texas Administrative Code §133.5, sets out the Informal Network and Voluntary Network Reporting Requirements to the Division, expired on January 1, 2011.

5. The services in dispute were reduced/denied by the respondent with the following reason codes:

Explanation of benefits

- 131 – Claim specific negotiated discount.
- 193 – Original payment decision is being maintained. Upon review it was determined that his claim was processed properly.
- 59 – Processed based on multiple or concurrent procedure rules. (For example multiple surgery or diagnostic imaging, concurrent anesthesia.)
- B5 – Coverage/program guidelines were not met or were exceeded.
- 329 – Allowance for this service represents 50% because of multiple or bilateral rules.
- 724 – No additional payment after a reconsideration of services. For information call 1-800-937-6824
- 728 – This bill was reviewed/denied in accordance with your first health contract. For questions please call 1-800-937-6824.

### **Issues**

1. Did the insurance carrier access an informal voluntary network reduction after December 31, 2010?
2. Did the requestor submit documentation to support the billing of CPT code 14020?
3. Did the requestor bill for services in conflict with the NCCI edits?
4. Is the requestor entitled to reimbursement?

### **Findings**

1. Per Texas Labor Code §413.0115(b), each informal network or voluntary network must have been certified as a workers' compensation health care network under Chapter 1305, Insurance Code, no later than January 1, 2011. Labor Code §413.011 Subsections (d-1) through (d-3), which authorized insurance carriers to contract with health care providers for fees that are different than TDI-DWC's fee guidelines, expired on December 31, 2010. In accordance with Labor Code §413.011 Subsection (d-4), insurance carriers may continue to contract with health care providers for fees above TDI-DWC's fee guidelines as needed to ensure adequate access to care for injured employees. In accordance with Labor Code §413.011(d-6), the provisions of 28 TAC §133.4, regarding Written Notification to Health Care Providers of Contractual Agreements for Informal and Voluntary Networks, and 28 TAC §133.5, regarding Informal Network and Voluntary Network Reporting Requirements to the Division, expired on January 1, 2011. However, these rules continue to apply to health care services that were rendered between August 1, 2008, and December 31, 2010, pursuant to an insurance carrier or informal network or voluntary network fee agreement with a health care provider. Reimbursement for health care services (including inpatient hospital, outpatient hospital, dental, ambulatory surgical center, as well as professional services such as durable medical equipment) rendered on or after January 1, 2011 shall be in accordance with TDI-DWC's fee guidelines (see 28 TAC Chapter 134 for copies of all fee guideline rules).
  - The insurance carrier states in the EOB dated June 7, 2011 "This bill was reviewed in accordance with your First Health Contract. For questions please call 1-800-937-6824.
  - The requestor billed the amount of \$2,091.54 for CPT code 14020 rendered on April 12, 2011.
  - The insurance carrier issued payment in the amount of \$527.10 and the requestor seeks additional payment in the amount of \$877.87.
  - The insurance carrier accessed an informal voluntary network reduction after the expiration of informal voluntary networks effective December 31, 2010. As a result, the division will review the disputed charges in accordance with the applicable guidelines.
2. 28 Texas Administrative Code §134.203 states in pertinent part, "(b) For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: 1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."
  - NCCI edits were run to determine edit conflicts prior to reviewing the documentation to determine reimbursement.
  - The requestor billed CPT codes 99283-57, 25924-RT and 14020-RT on April 12, 2011.
  - No NCCI edits were identified; however CPT code 14020 is subject to the multiple procedure rule reduction of 50% of the allowable amount.

3. Per 28 Texas Administrative Code §134.203 (c) To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications. (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is \$52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32... Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year."

- CPT code 14020 is defined as "Adjacent tissue transfer or rearrangement, forehead, cheeks, chin, mouth, neck, axillae, genitalia, hands and/or feet; defect 10 sq cm or less." The requestor submitted documentation to support the billing of CPT code 14020. As a result, additional reimbursement is recommended.
- The Medicare reimbursement amount for CPT code 14020 rendered in a facility setting is \$581.24. CPT code 14020 is subject to the 50% multiple procedure reduction.
- The 2011 DWC conversion factor for surgery performed in a facility setting is \$68.47. The fee guideline reimbursement is \$1,171.33, after the application of the multiple procedure reduction; the fee guideline reimbursement amount is \$585.67. The insurance carrier made a payment in the amount of \$527.10; the requestor is therefore entitled to an additional payment of \$58.57. This amount is recommended.

### **Conclusion**

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$58.57.

### ***ORDER***

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby **ORDERS** the respondent to remit to the requestor the amount of \$58.57 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

### **Authorized Signature**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

July 19, 2013  
\_\_\_\_\_  
Date

### ***YOUR RIGHT TO APPEAL***

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party.**

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**